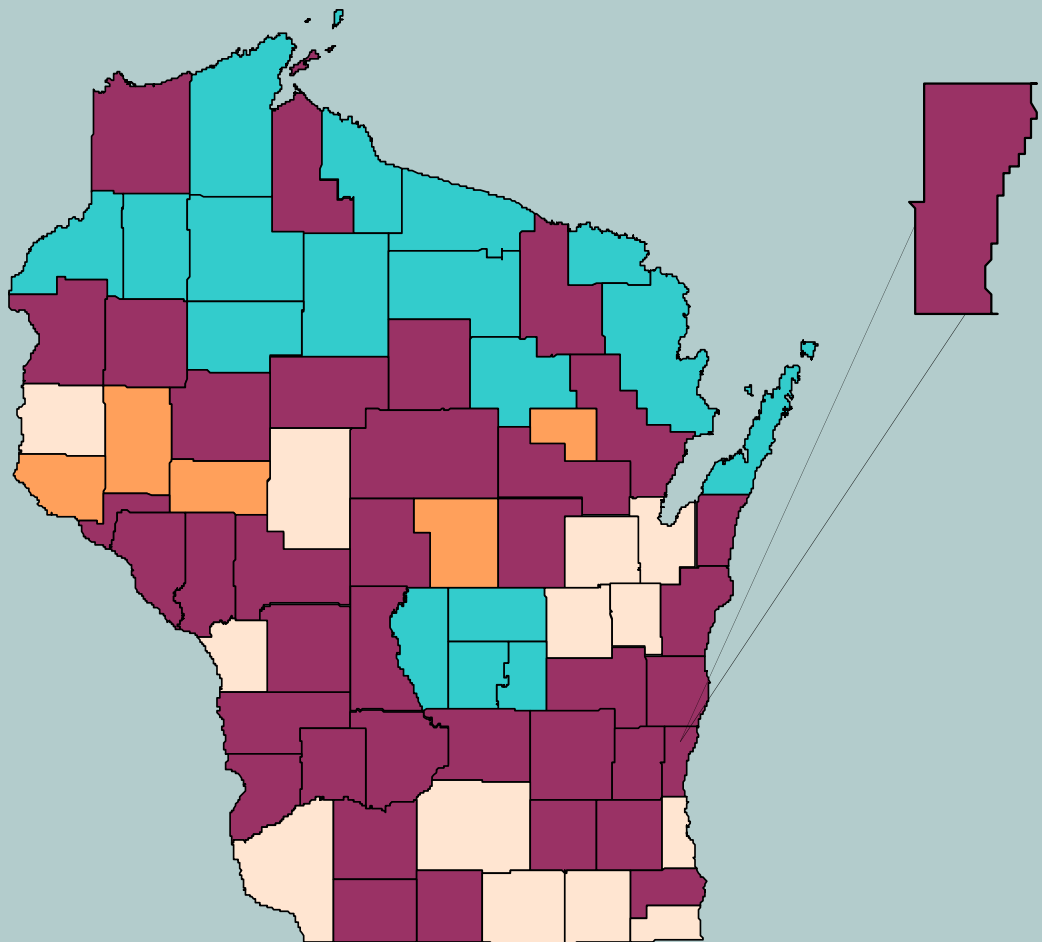


Ozaukee County Workforce Profile

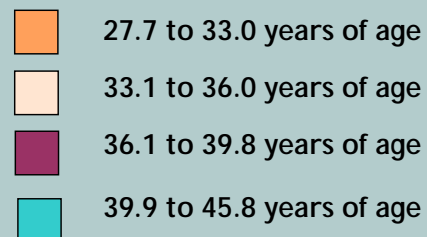
Median Age by County, 2000



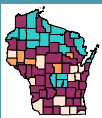
Your complete
guide to the
state of the
labor force of
today and a
glimpse into
the economy of
tomorrow.



State of Wisconsin
Department of Workforce Development
October 2002



Source: Census 2000 of the United States



County Population

The population of Ozaukee County grew by 0.7% in 2001, matching the rate of growth of both the state of Wisconsin and the nation. This modest growth comes at a slightly slower pace than the significant growth that occurred in the county over the course of the 1990's. Between 1990 and 2000, Ozaukee County grew at a rate of 12.3%, which was the third highest population growth rate in the four-county Milwaukee-Waukesha metropolitan statistical area (MSA), ranking behind Washington County (20.7%), and Waukesha County (16.3%), but ahead of Milwaukee County's sluggish 0.5% decrease in population.

Much of the disparity among growth rates is determined by the growth of the county's housing stock. Despite having the smallest county population of the four counties in the metropolitan area, approximately 6,700 new housing units were constructed in Ozaukee County since 1990. However, over the course of the same period, Washington County witnessed the construction of 12,400 new units, Waukesha County 35,125, and Milwaukee County added nearly 24,000 new units. While it can be reasonably concluded that many of the units constructed in Milwaukee County were built to replace

existing units, and that a similar explanation can be used for a percentage of the Waukesha County construction activity, it is also apparent that the growth trend of the metropolitan area has been occurring in the western portions of the region.

Despite this indication of growth patterns moving away from Ozaukee County, data obtained from the 2000 Census indicates that a distinct pattern of immigration is still an important component of the county's population growth. 40.2% of the county population reported that they currently lived in a different house than that in which they lived in 1995. Of that forty percent, 18.6% were Ozaukee County residents in 1995, while 21.7% came from elsewhere, including 6.8% who reported that they came from outside Wisconsin. This pattern of immigration is spurred primarily by the presence of a variety of career opportunities in the metropolitan area, and particularly within Milwaukee County.

A number of municipalities reported annual increases that were similar or greater than that experienced on a county level. The villages of Fredonia and Grafton led the county in municipal popula-

(Continued on page 2)

Total Population

	2000 Census	January 1, 2001 Estimate	Percent change
United States	281,421,906	283,474,000	0.7%
Wisconsin	5,363,675	5,400,449	0.7%
Ozaukee County	82,317	82,870	0.7%

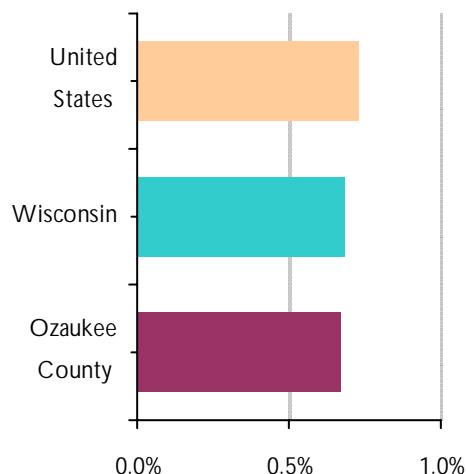
Ten Largest Municipalities

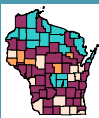
Mequon, City	22,666	22,631	-0.2%
Cedarburg, City	11,102	11,196	0.8%
Port Washington, City	10,467	10,551	0.8%
Grafton, Village	10,312	10,513	1.9%
Cedarburg, Town	5,550	5,582	0.6%
Grafton, Town	4,132	4,139	0.2%
Saukville, Village	4,068	4,078	0.2%
Thiensville, Village	3,254	3,251	-0.1%
Fredonia, Town	2,060	2,066	0.3%
Fredonia, Village	1,934	1,975	2.1%

* Ozaukee portion only

Source: Wisconsin Department of Administration, Demographic Services, 2002

Population Growth 2000-2001

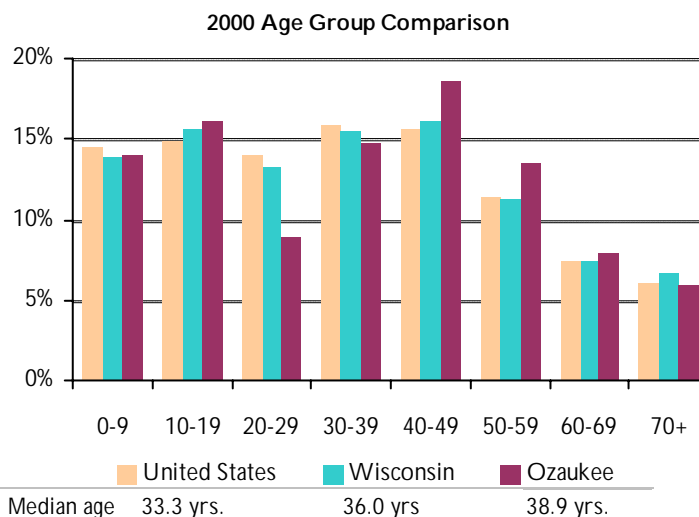




State of Wisconsin - Ozaukee County

tion growth, reporting increases of 2.1% and 1.9%, respectively. Most other municipalities in the county also posted very modest gains, with Mequon and Thiensville reporting very slight population losses of thirty five and three residents, respectively.

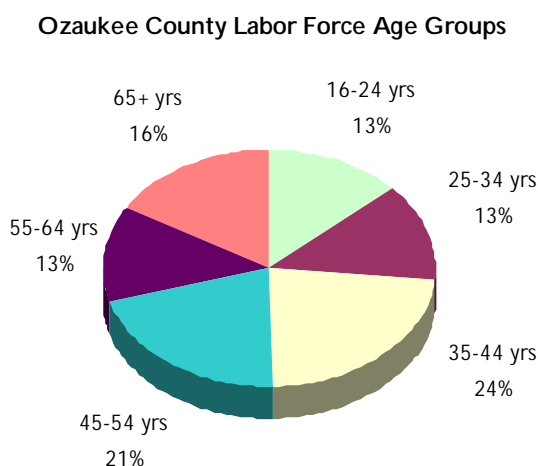
Another important factor in examining the population of Ozaukee County, particularly with respect to its relationship with the county's labor force is the distribution of the county's population among various age groups. As illustrated by the chart on the right, the age distribution of Ozaukee County's population exhibits from very unique trends. First, contrary to the somewhat linear distribution of the national distribution, there is a distinct peak that occurs in the 40-49 and 50-59 age groups. Another important point that becomes obvious in this distribution is that the county's population appears to be aging more rapidly than either the nation or state, as evidenced by a larger-than-average share of population aged more than 40 years, as well as a lower-than-average share of the population aged under 30 years, particularly those in the vital 20 to 29 age bracket.



Source: US Department of Commerce, Census Bureau, *Census 2000*

This uneven distribution has a very profound implication on the future of the county's labor force. As the county's population continues to age, as evidenced by the increasing median age, the number of people exiting the workforce through retirement will surpass the number of those workers entering the workforce. This labor situation, which is projected to occur beginning in 2014, may have a profound impact on the ability of county employers to find sufficient levels of skilled employees.

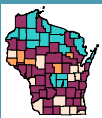
County Civilian Labor Force



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

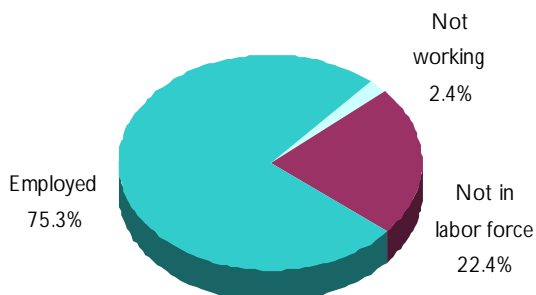
Turning our focus to a broader examination of factors affecting the Ozaukee County labor force, the age distribution of the county's labor force is again emphasized. As is illustrated in the chart to the left, the county's labor force is most heavily distributed in the 35-54 age cohorts. While this has implications for the occupational distribution and wage levels, which will be addressed a bit later, it also has a profound bearing on the future of the county's labor force. This effect is already exhibited in the distribution as those in the 16-24 cohort, which approximates the number of workers available to enter the workforce for the first time (13%) is equal to those aged 55-64 (13%), which approximates the level of those entering retirement, and less than those aged 65 or above (16%), or those retired.

(Continued on page 3)



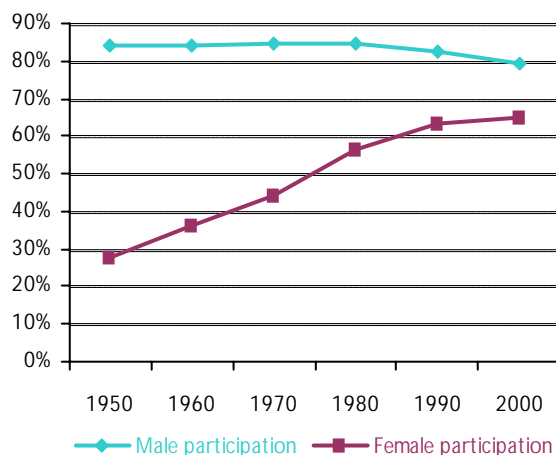
State of Wisconsin - Ozaukee County

2001 Labor Force Participation



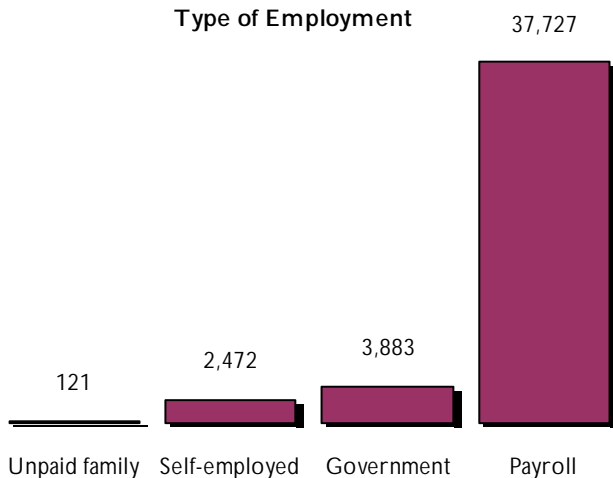
Source: Estimated from WI Dept. of Administration population estimates, Jan. 2001, US Census Bureau, and WI Local Area Unemployment Statistics.

Labor Force Participation of Male and Female Residents



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

Type of Employment



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

The labor force is the sum of those employed and unemployed *that have actively sought work in the last month*. **Labor Force eligible must be 16 years or older and not a member of an institutional population** such as a prison or an armed forces member living on a military base. The term "unemployed" does not necessarily include all people who are not working. For example, those who are retired or choose not to work are not considered unemployed. The phrase "Not Working" in the graph below assumes unemployed for the purposes of this profile.

The labor force participation rate for Ozaukee County for 2001 was 77.7%. This rate is unchanged from 2000, but is a 1.7% increase from 1999. As compared to the state rate of 73.5%, which is 0.7% higher than 2000, and the national rate of 66.9%, which represents a 0.3% decrease from 2000, the Ozaukee County labor force participation rate is significantly higher. The 4.2% difference from the state rate and 10.8% difference from the national rate is a combination of two factors. First, due to a high number of workers who commute to other counties in the metropolitan area equates to a high number of employed workers in the county. Second, given the high employment level, a low unemployment rate also exists. As such, the high county labor force participation rate is a good indication of a very strong county labor force, and, conversely a strong county economy.

A second indicator of labor force participation that provides some interesting insight into the county economy is the comparison of labor force participation rates by gender since 1950, as illustrated in the trend graph to the left. While maintaining a labor force participation rate above 80% for forty years, the male labor force participation rate dropped below that threshold between 1990 and 2000. In comparison, the labor force participation rate among the female population has increased sharply over the past fifty years, with the greatest gain occurring over the past decade. A partial explanation for these divergent trends is the increasing diversification of the county's economy with industries moving away from a traditional, and male-dominated manufacturing focus.

(Continued on page 4)

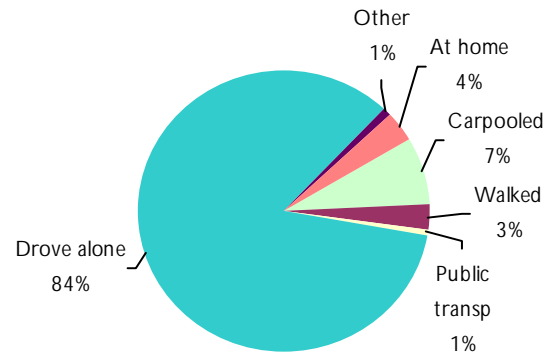


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Another key indicator of the state of the county's workforce is the variety of types of employment among the county's working population. As reported in the 2000 Census, the county's workforce is dominated by those working in private industry, as represented by the ranks of those in payroll employment and those that are self-employed. In comparison, government employment consists of a relatively small share of employment. Given the heavy concentration of government positions in Milwaukee County, this disparity is not surprising.

Another question that needs to be answered in analyzing the Ozaukee County workforce, after the issue of how many people participate in the workforce has been determined is how these workers get to work each day. The distribution of various commuting methods is illustrated in the chart to the right. The number of single-passenger commuters dominates the distribution of commuting methods, with a vast majority of those workers commuting in to Milwaukee County on a daily basis (note: more precise data on commuting patterns will be available within the coming year.) An additional 7% of workers carpool in some fashion. Of particular interest

County Travel-to-Work Patterns

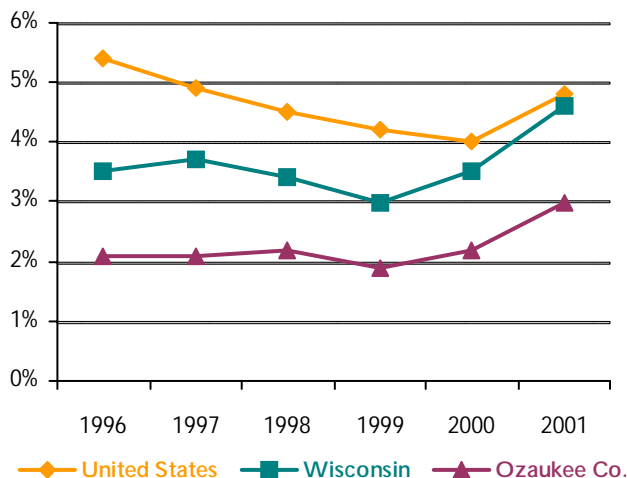


Source: US Dept. of Commerce, Census Bureau, *Census 2000*

is the relatively low number of workers using public transportation (1%) or walking (3%). These two percentages are due to a relatively less extensive public transit system, as compared particularly to Milwaukee and Waukesha Counties, and the fact that the county is relatively less urbanized than either of its larger metropolitan neighbors.

Moving from the commuting methods of the labor force to an analysis of the five-year unemployment rate trend in the county, as illustrated in the graph to the left, the strength of the county economy is reemphasized. In comparison to both the state of Wisconsin and nation, the unemployment rate in Ozaukee County has remained remarkably low despite a period of increasing unemployment over the past two years. The county is consistently among the leaders in the state in terms of low unemployment, and the top annual rate of 3.0%, which was observed over the course of 2001 remains below what many economists traditionally call the "natural employment rate" of 4.0% as transitional changes in employment are constantly occurring. The prevailing explanation for the consistently low unemployment rate in Ozaukee County is the presence of a large commuter base that resides in the county, but commutes elsewhere for employment.

Unemployment Rate Comparison



Ozaukee County Civilian Labor Force Data

	1996	1997	1998	1999	2000	2001
Labor Force	47,800	48,100	48,500	48,000	48,300	48,800
Employed	46,800	47,100	47,400	47,100	47,200	47,300
Unemployed	1,020	1,010	1,050	900	1,050	1,480
Unemployment Rate	2.1%	2.1%	2.2%	1.9%	2.2%	3.0%

Source: WI Department of Workforce Development, Local Area Unemployment Statistics, revised March 2002



County Industry Employment

Nonfarm Wage and Salary Employment

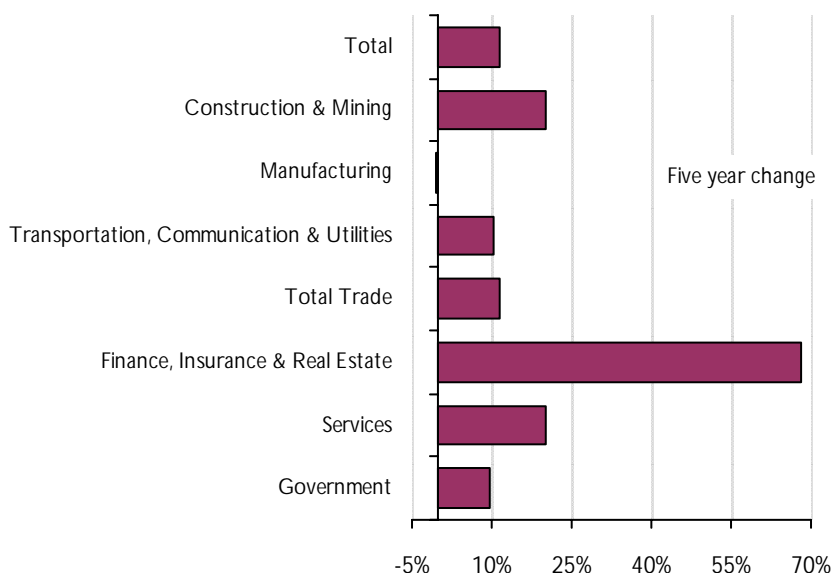
	1996	1997	1998	1999	2000	2001	Percent change	
							1 year	5 year
Total	35,221	36,975	38,811	39,481	40,549	39,319	-3.0%	11.6%
Goods Producing	13,248	13,950	14,287	14,171	14,941	13,461	-9.9%	1.6%
Construction & Mining	1,404	1,499	1,471	1,525	2,245	1,685	-25.0%	20.0%
Manufacturing	11,844	12,450	12,816	12,646	12,695	11,776	-7.2%	-0.6%
Durable	9,516	9,598	9,782	9,978	10,121	9,260	-8.5%	-2.7%
Nondurable	2,328	2,852	3,034	2,668	2,574	2,516	-2.3%	8.1%
Service Producing	21,973	23,025	24,523	25,310	25,608	25,859	1.0%	17.7%
Transportation, Communications & Utilities	771	843	886	867	904	853	-5.7%	10.5%
Total Trade	7,880	7,930	8,178	8,752	9,014	8,779	-2.6%	11.4%
Wholesale	1,535	1,590	1,653	1,631	1,733	1,596	-7.9%	4.0%
Retail	6,345	6,340	6,525	7,121	7,281	7,183	-1.4%	13.2%
Finance, Insurance, and Real Estate	1,259	1,280	1,662	1,946	1,996	2,114	5.9%	68.0%
Services & Misc.	8,402	9,246	9,956	9,902	9,671	10,103	4.5%	20.2%
Total Government	3,661	3,727	3,841	3,843	4,023	4,009	-0.3%	9.5%

Source: WI Department of Workforce Development, Nonfarm wage and salary estimates, revised March 2002

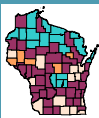
As is apparent in the table above, the Ozaukee County workforce has undergone a period of transition over the past year. What is most striking is the 25.0% decrease in construction employment in 2001 over 2000 levels. A great deal of this loss can be attributed to a decrease in new housing construction in the county, as compared to other areas

of the region. Despite this substantial loss, the sector has increased by 20% over the past five years, however. Additionally, a number of leading industry sectors have experienced significant growth over the past five years, despite experiencing significant losses over the past year. In particular, the 68.0% growth in employment in the FIRE sectors is noteworthy, as is the significant growth in service sector employment and in retail trade. Conversely, in a period where a majority of industries grew significantly manufacturing employment has decreased slightly over the past five years. Fueled by layoffs at companies such as Tecumseh Engine, durable goods manufacturing shed nearly 900 positions, or 8.5% of industry employment over the past year. This loss is significant as it again points to a growing diversification in the county's economy, moving from a more traditional "hard" economy, characterized by an emphasis in manufacturing, construction, and wholesale trade firms to a "soft" economy dominated by financial and service-based firms. This diversification follows a trend observed throughout the metropolitan area, and projections indicate that this trend will continue.

Employment Change by Industry Division: 1996 to 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002



State of Wisconsin - Ozaukee County

Top 10 Employers

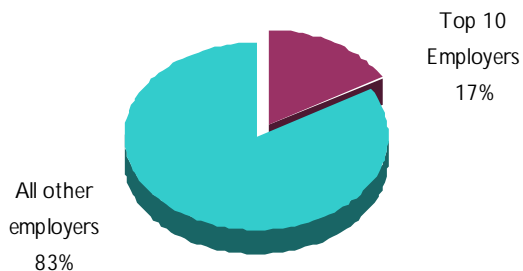
Company	Product or Service	Size
Seek Inc.	Help Supply Services	1000+
St. Mary's Hospital Ozaukee Inc.	General Medical and Surgical Hospitals	1000+
Allen-Bradley Co LLC	Relays and Industrial Controls	500-999
Concordia University Wisconsin Inc.	Colleges and Universities	500-999
Leggett & Platt Inc.	Aluminum Die-Castings	500-999
Charter Mfg Co Inc.	Miscellaneous Fabricated Wire Products	500-999
Trak Intl Inc.	Forklifts and Skid Steer Loaders	250-499
Leeson Electric Corp.	Electric Motors and Generators	250-499
Simplicity Mfg Inc.	Lawn and Garden Equipment	250-499
Allen Edmonds Shoe Corp.	Shoes and Leather Goods	250-499

Top 10 Industry Groups

Industry Group	March 2001		Numeric change	
	Employers	Employees	1-year	5-year
Industrial Machinery and Equipment	66	3,580	-181	127
Educational Services	18	2,750	139	460
Eating and Drinking Places	129	2,533	73	-46
Health Services	131	2,318	60	437
Business Services	159	2,148	-148	239
Electronic & other Electric Equipment	22	1,810	-516	-643
Fabricated Metal Products	31	1,594	91	422
Primary Metal Industries	8	1,533	-191	-152
Executive, Legislative, and General	14	1,489	98	57
Special Trade Contractors	159	1,195	46	238

*data suppressed to maintain confidentiality

Top 10 Employers' Share of
Nonfarm Employment



Top 10 Industry Group Share
of Nonfarm Employment



Source: WI Department of Workforce Development, ES-202 file tape, December 2001

Despite recent employment losses in the manufacturing sector over the past year, the list of the largest firms in Ozaukee County remains dominated by manufacturing interests, such as Allen-Bradley, Leggett & Platt, Charter Manufacturing, Trak International, Leeson Electric, and Simplicity Manufacturing. These firms represent the traditional foundation of the county's economy.

A sign of the county's transition to a service-based economy is evidenced by the dominance of Seek, Inc., a placement services firm, and St. Mary's Hospital Ozaukee, a regional healthcare center as the two largest employers in the county. Each of these firms have grown by expanding their service area first to the metropolitan area, and recently outside of it.

(Continued on page 7)



State of Wisconsin - Ozaukee County

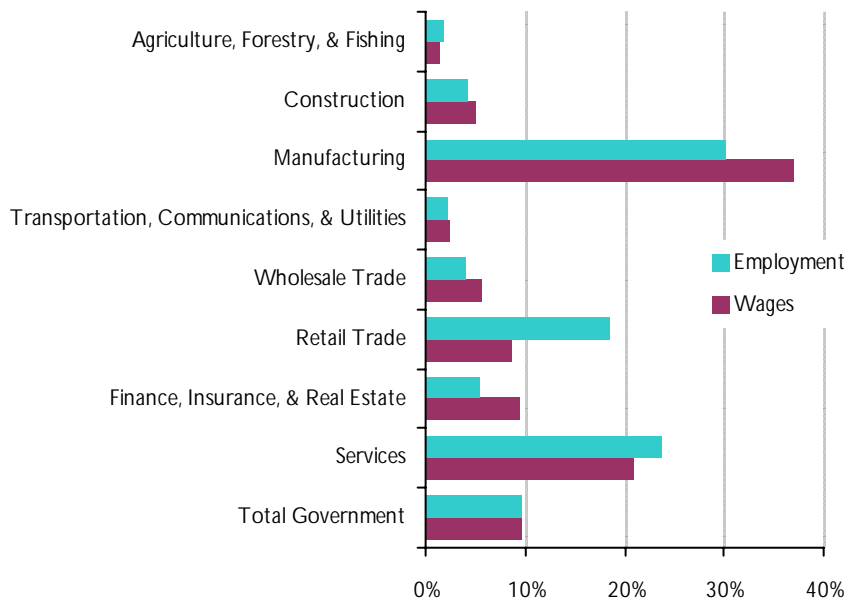
A sector that is significantly missing from the list of top employers is the retail sector, which is dominant in other metropolitan counties.

The dominance of the top ten employers is reemphasized by the recognition that 17% of total employment is accounted for by these firms. Additionally, 54% of all employees are employed by a firm in one of the top ten industry sectors, which are dominated by industrial machinery and equipment, educational services, eating and drinking places, and

health services.

Moving from industry employment to industry wages, the economic prosperity of the county economy is again restated. The average wage across all industries of \$33,140 is 7.2% above the state average. Additionally, every industry sector, with the exception of government employment, which suffers from a relative lack of state and federal employment is above the state average. However, it is also important to note that, despite the fact that industry wages are above average they are, by and large, lower than those paid in either Milwaukee or Waukesha County. Of particular importance, despite strong demand, construction wages in the county are 1.8% below the state average. Additionally, wages in the finance, insurance, and real estate sector, which averaged \$56,833 are 39.2% above the state average. This disparity accounts, to a certain degree for the significant growth in employment in the sector over the past five years. Finally, despite significant employment losses over the past year, manufacturing wages remain a modest 2.2% above the state average. Overall, wages in the county have increased significantly over the past five years.

Employment & Wage Distribution by Industry Division

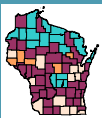


Annual Average Wage By Industry Division

	Ozaukee Co. Annual Average Wage	Wisconsin Annual Average Wage	Percent of State Average	1-year percent change	5-year percent change
All Industries*	\$ 33,140	\$ 30,922	107.2%	1.7%	20.6%
Agriculture, Forestry, & Fishing	\$ 24,162	\$ 22,565	107.1%	2.1%	22.9%
Construction	\$ 38,321	\$ 39,011	98.2%	50.6%	22.5%
Manufacturing	\$ 40,612	\$ 39,739	102.2%	-2.9%	14.5%
Transportation, Communications, & Utilities	\$ 37,233	\$ 36,639	101.6%	-0.1%	23.7%
Wholesale Trade	\$ 45,427	\$ 40,521	112.1%	2.7%	16.6%
Retail Trade	\$ 15,554	\$ 14,596	106.6%	2.0%	18.6%
Finance, Insurance, & Real estate	\$ 56,833	\$ 40,933	138.8%	1.0%	40.5%
Services	\$ 29,071	\$ 28,775	101.0%	5.8%	35.5%
Total Government	\$ 33,393	\$ 33,785	98.8%	2.1%	12.3%

* Mining excluded from table since wages were suppressed to maintain confidentiality in every county

Source: WI DWD, *Employment, Wages, and Taxes Due covered by Wisconsin's U.C. Law, 2002*



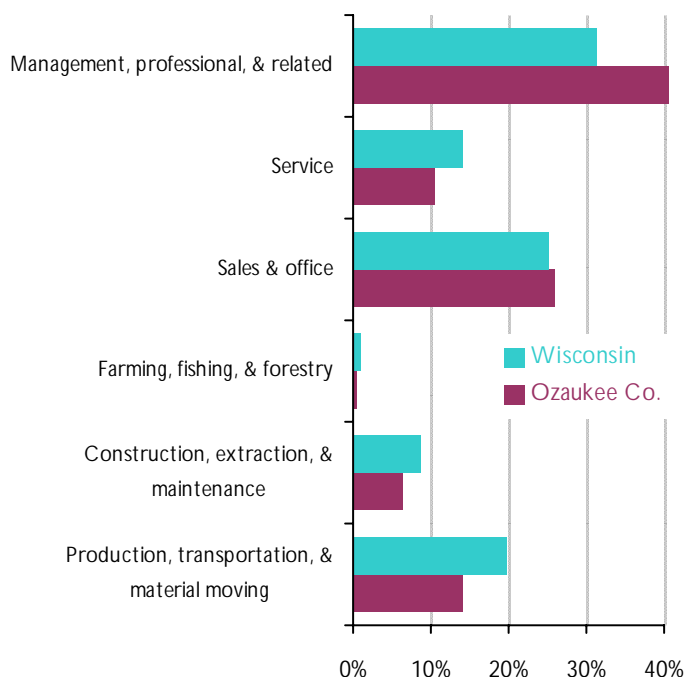
Occupation and Education Characteristics of County Population

Two other factors that are essential in coming to a comprehensive understanding of the Ozaukee County labor force are the occupational distribution of the county's workers and their relative level of education. With regards to occupations, the Ozaukee County workforce is heavily concentrated in management and professional occupations, with nearly 40% of the working population reporting occupations in that category in the 2000 Census. Many of these workers are part of the commuting base that travels into Milwaukee County and other surrounding counties. Additionally, a number of these workers account for the significant growth in finance, insurance, and real estate employment over the past five years.

Of additional significance, it is important to note that, as a share of total employment, the share of construction employees and production, transportation, and material moving in Ozaukee County is less than that in the state. This comes as some surprise, particularly when taking into account the 20% growth in construction employment over the past five years, and the presence of a large number of manufacturing firms among the top ten employers.

With regards to educational attainment, a large percentage of the Ozaukee County population aged 18 and above has attended some form of post-

Employment by Occupation Group: 2000

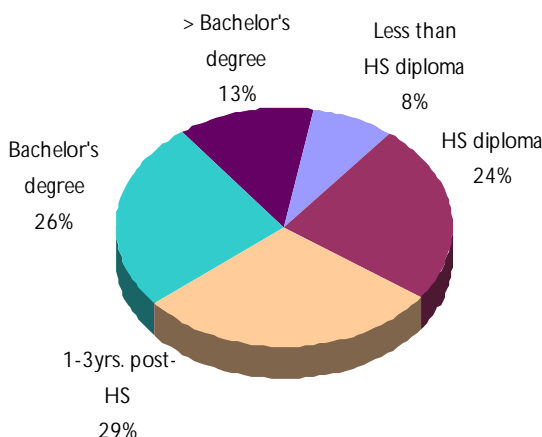


US Department of Commerce, Census 2000

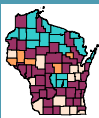
secondary education. The 26% of those with a bachelor's degree and 13% of those with an advanced or professional degree are among the highest percentages in the metropolitan area and among the highest in the state. Additionally, the 8% of those with less than a high school diploma is among the lowest percentages in the state, speaking to a high quality workforce and education system. While the 24% of the population with a high school diploma is less than the 29% of the population in Milwaukee County with a high school diploma, the 68% of the population completing some form of postsecondary education far outpaces the 51% in Milwaukee County.

One conclusion that cannot be drawn from this data is the level of the population holding a vocational or associate's degree. However, given the presence of a number of quality technical colleges and other trade institutions, it is reasonable to assume that a large share of the 29% who completed 1-3 years of postsecondary education have earned such a degree.

Education Attainment in 2000



Source: US Dept. of Commerce, Census Bureau, *Census 2000*



County Income Information

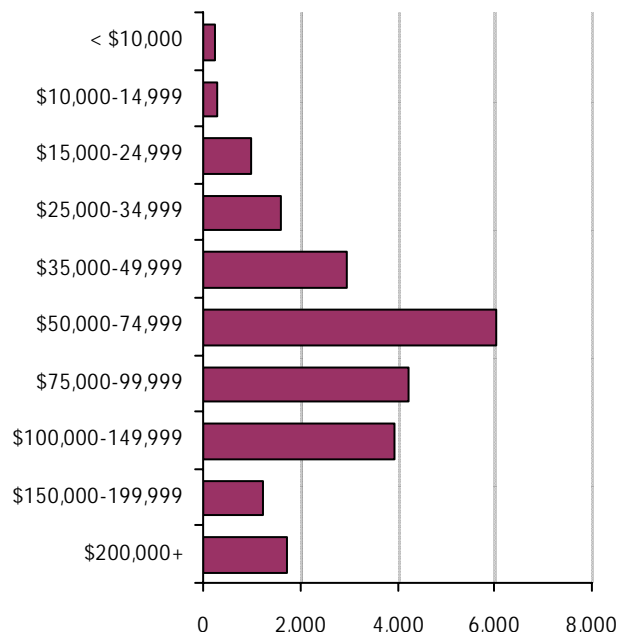
A final measure of the economic prosperity of Ozaukee County can be seen in an analysis of the income levels of the county's residents, and the composition of that income. As illustrated in the chart on the right, the median household income of Ozaukee County is \$62,745. This is slightly less than that of Waukesha County, which has the highest median household income in the metropolitan area at \$62,839. Further analysis of this distribution shows that a majority of the population has a household income between \$50,000 and \$75,000. Additionally, the significant number of households with a household income over \$150,000 speaks to the economic prosperity of the county.

Another key indicator of the relative prosperity of Ozaukee County is its low level of poverty. In 1999, 1.7% of all families, 2.6% of individuals, and 5.0% of single mother families had incomes below the poverty limit. In contrast, Milwaukee County reported 11.7% of families, 15.3% of individuals, and 30.7% of single mother families in poverty in 1999.

Another measure of income that takes into account factors other than salary and wages is personal income. For 2000, the per capita personal income of Ozaukee County was \$44,872. This is substantially higher than either the state or national level. Additionally, the nearly \$45,000 of per capita personal income is the highest level of per capita income in

Households by Income Range

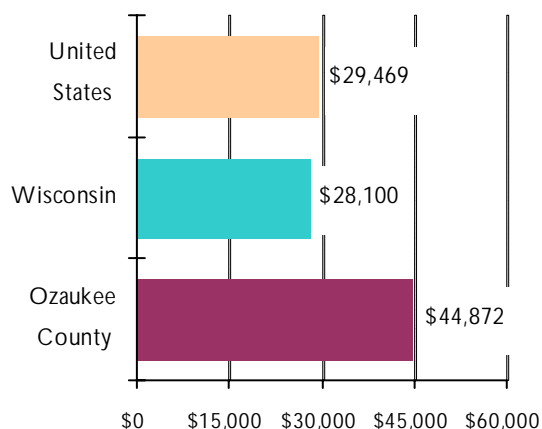
Median household income in Ozaukee Co. \$62,745



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

the metropolitan area and in the state. One key factor of this phenomenal income level is the high level of dividend, interest, and rent income as a component of personal income. At nearly 25%, this suggests that the population of Ozaukee County invests more than their metropolitan neighbors, again indicating the high prosperity of the county.

Per Capita Personal Income 2000



Source: US Department of Commerce, Bureau of Economic Analysis

Components of Total Personal Income: 2000

